EXHIBIT 7

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

Docket No. 6:23-cv-997

PHARMACEUTICAL RESEARCH & MANUFACTURERS OF AMERICA *
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VERSUS *
*
LIZ MURRILL, LOUISIANA ATTORNEY GENERAL *

Docket No. 6:23-cv-1042

ASTRAZENECA PHARMACEUTICALS LP *
*
VERSUS *
*
LIZ MURRILL, LOUISIANA ATTORNEY GENERAL *

Docket No. 6:23-cv-1307

ABBVIE, INC., ET AL *
*
VERSUS *
*
LIZ MURRILL, LOUISIANA ATTORNEY GENERAL *

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OFFICIAL TRANSCRIPT OF MOTION HEARING
HELD JUNE 6, 2024 IN LAFAYETTE, LOUISIANA
BEFORE THE HONORABLE ROBERT R. SUMMERHAYS,
UNITED STATES DISTRICT JUDGE

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Deidre D. Juranka, CRR
United States Court Reporter
Western District of Louisiana

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11:24AM regulation. The Supreme Court doubted that that had any bearing on this case. *Astra* was a pricing case involving a covered entity that wanted to sue manufacturers for violating their pricing obligations under Section 340B. The Supreme Court said no, you can't do that. The Federal Government, specifically ADR, has exclusive authority over pricing disputes. *Astra* was not a preemption case, didn't address state regulations that operate in traditional areas of state regulation.

THE COURT: Let me ask you. What about the argument raised by the plaintiffs that that really is, I guess for lack of a better characterization, a false distinction, that really there is no regulation of distribution going on here because the distribution doesn't change, that the same practices go forward but the only thing that changes is the discount supplied to products that would already been distributed to a particular pharmacy?

MR. CONNELLY: Well, there is distribution going on here. They discuss the replenishment model which they contend is nefarious, but it's not. It's simply an accounting mechanism. And there's a reconciliation to ensure that 340B priced drugs are dispensed only to 340B eligible patients and so the drugs go to eligible

patients, and the manufacturers are permitted to audit that. Under replenishment, the pharmacy has an initial stock of drugs and so when a covered entity's patient comes into the pharmacy for an initial prescription of the 340B drug the pharmacy is not going to know that that's a 340B eligible patient. That's not in the record the pharmacy has available. So it dispenses the drug, essentially loaning its inventory to the covered entity, and then there's a reconciliation and replenishment of that 340B priced drug; and that's the distribution that the manufacturers are impeding. Yes, they'll distribute a drug; but they won't distribute a 340B priced drug.

In fact, AbbVie's contract pharmacy policy makes a clear distinction between pricing and delivery. I'd like to find the exact words, but their policy states that covered entities are not permitted to direct delivery of AbbVie's 340B priced medicines to contract pharmacies. So their own policy acknowledges that the 340B pricing has already occurred and what they want to impede is delivery.

I'd like to address a few points that counsel for the manufacturers made. Mr. Perry mentioned a parallel provision of the Public Health Service Act that was enacted at the same time as 340B authorizing contract